

Application No. 09/517,577

Amendment dated January 23, 2004


Reply to Office Action Mailed on September 23, 2003

Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

1. (Currently Amended) A method of target pricing a value[[,]] comprising the steps of:

 automatically pricing the value using list price[[s]] data in an electronically stored product model;

automatically costing the value using [[the]] cost[[s]] data in the product model;

automatically determining [[calculating]] an equivalent competitor net price for the value using an electronically stored competitor net price model;

computerized processing of said value pricing, said value costing, and said equivalent competitor net price to calculate [[ing the]] an optimal winning value as a function of price using the parameters from an electronically stored market response model; and

computerized processing of said optimal winning value to determine [[ing]] a target price for the value.

2. (Currently Amended) The method of claim 1, further including the step of computerized processing of the target price to calculate [[ing]] the benefits of

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the target pricing method in comparison to ~~[[the]]~~ a pre-existing pricing approach using an electronically stored benefits model.

3. (Currently Amended) The method of claim 1, wherein the step of computerized processing of said optimal winning value to determine ~~[[ing]]~~ a target price comprises processing of said optimal winning value using an electronically stored optimization model that maximizes expected contribution for the value.

94 4. (Currently Amended) The method of claim 1, further including the step of automatically comparing the equivalent competitor net price to a target range of prices and overriding the ~~[[calculated]]~~ equivalent competitor net price with one of said target range prices if the calculated competitor net price falls outside the target range.

5. (Currently Amended) The method of claim 1, wherein the electronically stored product ~~[[model]]~~ and ~~[[the]]~~ competitor price models are n-dimensional with stored data reflective of at least price and cost, and the steps of automatically pricing the value, costing the value, and determining ~~[[calculating]]~~ an equivalent competitor net price ~~[[are located by]]~~ comprise an iterative linear interpolation of the stored data.

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6. (Currently Amended) The method of claim 1, further including the step of automatically calculating a target range of prices for the value.

7. (Currently Amended) A process of target pricing a value, comprising the steps of:

automatically pricing the value using stored list prices in an electronically stored product model;

automatically costing the value using stored costs in the product model;

automatically determining ~~[[calculating]]~~ an equivalent competitor net price for the value using an electronically stored competitor net price model;

computerized processing of said value pricing, said value costing, and said equivalent competitor net price to calculate ~~[[ing the]]~~ a probability of winning ~~[[with]]~~ the value as a function of price using parameters from an electronically stored market response model; and

computerized processing of said probability of winning to calculate ~~[[ing]]~~ a target price for the value that maximizes expected contribution using an electronically stored optimization model that determines competitive response to any potential price for the value.

8 [[9]]. (Currently Amended) The process of claim 7, wherein the electronically stored product [[model]] and [[the]] competitor price models are n-dimensional with stored data reflective of at least price and cost, and the steps of automatically pricing the value, costing the value, and determining [[calculating]] an equivalent competitor net price [[are located by]] comprise iterative linear interpolations of the stored data.

9 [[10]]. (Currently Amended) The process of claim 7, wherein the step of determining [[calculating]] an equivalent competitor net price further includes the steps of:

automatically retrieving a reference price from a [[the]] product model for a specific value; and

automatically applying an electronically stored discounting model to the reference price to determine a competitor net price for the specific value.

10 [[11]]. (Currently Amended) The process of claim 9 [[10]], further including the step of automatically comparing the equivalent competitor net price to a predetermined range of prices and overriding the [[calculated]] equivalent competitor net price with one of said target range prices if the calculated competitor net price falls outside the [[a]] predetermined range.

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11 ~~[[12]]~~. (Currently Amended) The process of claim 7, wherein the electronically stored market response model includes coefficients for market response predictors based upon historical data, and for a specific value, the step of computerized processing to calculate ~~[[ing]]~~ the probability of winning ~~[[the bid]]~~ includes the steps of:

automatically evaluating price-independent predictors; and

automatically generating a market response curve from which an estimated probability of winning ~~[[with the value]]~~ is calculated.

12 ~~[[13]]~~. (Currently Amended) The process of claim 11 ~~[[12]]~~, wherein the step of automatically evaluating the price-independent predictors ~~[[is]]~~ comprises automatically evaluating price independent predictors for at least ~~[[the]]~~ a customer, ~~[[the]]~~ a order, and ~~[[the]]~~ a product.

13 ~~[[14]]~~. (Currently Amended) The process of claim 11 ~~[[12]]~~, further including the step of automatically evaluating static and variable price-independent predictors.

14 ~~[[8]]~~. (Currently Amended) The process of claim 7, further including the step of computerized processing of the target price to calculate ~~[[ing]]~~ one or

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more benefits of the target pricing process in comparison to a pre-existing pricing approach.

15. (Currently Amended) The process of claim 14 [[7]], wherein the step of step of computerized processing of the target price to calculate [[ing]] one or more benefits of the target pricing process includes the steps of:

[[obtaining the target price for the specific value;]]

automatically calculating a target price value using a pre-existing pricing approach; and

04 automatically comparing the target price value from the pre-existing pricing approach to a market response curve to determine the probability of a successful bid with the pre-existing pricing approach.

16. (Currently Amended) The process of claim 15, wherein the step of automatically calculating a target price bid using pre-existing pricing approach is a step selected from the group of:

automatically discounting a [[the]] list price from the price model;

automatically adding a predetermined amount to the cost for the value; and

automatically matching a historic rate for the specific value.

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17. (Currently Amended) The process of claim 7, further comprising the steps of:

[[calculating a specific target price for a performance of a contract;]]

automatically determining the applicability of one or more strategic objectives to the calculated target price;

automatically calculating a target range [[for the target bid]] of prices that is constrained by [[the]] one or more of said strategic objectives; and

when performing the step of computerized processing of said probability of winning to calculate a target price, automatically obtaining a target price that is within the target range.

18. (Currently Amended) The process of claim 17, wherein the step of automatically determining the applicability of one or more strategic objectives is a step selected from the group of:

obtaining a pre-determined maximum or minimum margin on the value; and

obtaining a pre-determined maximum or minimum success rate on the value.

19. (Currently Amended) The process of claim 7, further including the step of automatically calculating a target range for the value.

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20. (Currently Amended) The process of claim 19, wherein the step of automatically calculating a target range is a step selected from the group of:

automatically calculating a target range from ~~[[the]]~~ a maximum expected contribution; and

automatically calculating a target range based upon ~~[[the]]~~ an optimum target price.

21. (Currently Amended) A method of target pricing a bid, comprising the steps of:

a pricing step for automatically pricing the bid using stored list prices in an electronically stored product model;

OH a costing step for automatically costing the bid using stored costs in the product model.

a competitor net price determination ~~[[calculation]]~~ step for automatically determining ~~[[calculating]]~~ an equivalent competitor net price for the bid using an electronically stored competitor net price model;

a bid-winning probability calculation step for computerized processing of said bid pricing, said bid costing, and said equivalent competitor net price to automatically calculate ~~[[ing]]~~ the probability of winning the bid as a function of price using parameters from an electronically stored market response model; and

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a target price calculation step for computerized processing of said probability of winning to automatically calculate ~~[[ing]]~~ a target price for the bid that maximizes expected contribution using an electronically stored optimization model that automatically determines competitive response to any potential bid.

22 [[23]]. (Currently Amended) The method of claim 21, wherein the electronically stored product model and the electronically stored competitor price model are n-dimensional with stored data reflective of at least price and cost, and the pricing step, the costing step, and competitor net price determining ~~[[calculation]]~~ step are performed by iterative lines interpolation of the stored data.

23 [[24]]. (Currently Amended) The method of claim 21, wherein the competitor net price calculation step further includes the steps of:

a price retrieving step for automatically retrieving a price from the product model for a specific bid; and

a discounting step for automatically applying a discounting model to the price to determine a competitor net price for the specific bid.

24 [[25]]. (Currently Amended) The method of claim 24, further including an overriding step for automatically overriding the calculated equivalent competitor

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net price with a prespecified competitor net price if the calculated competitor net price falls outside a predetermined range.

25 ~~[[26]]~~. (Currently Amended) The method of claim 21, wherein the market response model includes coefficients for market response predictors based upon historical data, and for a specific bid, the bid-winning probability calculation step includes the steps of:

an evaluation step for automatically evaluating price-independent predictors; and

a market response curve generation step for automatically generating a market response curve from which an estimated probability of winning a bid is automatically calculated.

26 ~~[[27]]~~. (Currently Amended) The method of claim 26, wherein the evaluation step is automatically evaluating price independent predictors for ~~[[at least the]]~~ a customer, a ~~[[the]]~~ order, and a ~~[[the]]~~ product.

27 ~~[[28]]~~. (Currently Amended) The method of claim 26, further including a second evaluation step for automatically evaluating static and variable price-independent predictors.

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28 [[22]]. (Currently Amended) The method of claim 21, further including a target pricing benefit calculation step for computerized calculating of one or more benefits of the target pricing method in comparison to a pre-existing pricing approach.

29. (Currently Amended) The method of claim **28 [[22]]**, wherein the target pricing benefit calculation step includes the steps of:

a target price retrieval step for automatically obtaining ~~[[the]]~~ **a proposed** target price for the specific bid;

a pre-existing bid price calculation step for automatically calculating a bid price using a pre-existing pricing approach; and

94 a pre-existing bid success determination step for automatically comparing the specific bid from the pre-existing pricing approach to a market response curve to determine a ~~[[the]]~~ probability of a successful bid with the pre-existing pricing approach.

30. (Currently Amended) (Currently Amended) The method of claim **29 [[15]]**, wherein the pre-existing bid price calculation step for ~~[[of]]~~ automatically calculating a target price bid using a pre-existing pricing approach is a step selected from the group of:

automatically discounting a ~~[[the]]~~ list price from the price model;

automatically adding a predetermined amount to the cost for the bid; and

automatically matching a historic rate for the specific bid.

31. (Currently Amended) The method of claim 21, further comprising the steps of:

a contract target bid price calculation step for automatically calculating a specific target bid price for a performance of a contract;

a strategic object determination step for automatically determining applicability of one or more strategic objectives to the target bid price;

a strategic object constraint calculation step for automatically calculating a target range for the target bid price that is constrained by [[the]] one or more said strategic objectives; and

Q4 a constrained target price determination step for automatically obtaining a target price that is within the target range.

32. (Currently Amended) The method of claim 31, wherein the strategic objective determination step is selected from the group of:

a margin determination step for automatically obtaining a pre-determined maximum or minimum margin on the bid; and

a success rate determination step for automatically obtaining a pre-determined maximum or minimum success rate on the bid.

33. (Currently Amended) The method of claim 21, further including a target range calculation step for automatically calculating a target range for the bid.

34. (Currently Amended) The method of claim 33, wherein the target range calculation step is a step selected from the group of:

Q4 a contribution calculation step for automatically calculating a target range from the maximum expected contribution; and

an optimum target range calculation step for automatically calculating a target range based upon the optimum target price.

Q5 35. (New) The method of claim 1, wherein the market response model calculates the probability of winning with the value is determined by the following equation:

$$\text{probability of winning} = \frac{1}{1 + \sum_{j \in J} e^{k_j + m_j}}$$

wherein, for J competitors, k_j is a sum of price-independent terms for competitor j and m_j is a sum of price-dependent terms for the competitor j.

36. (New) The process of claim 7, wherein the market response model calculates the probability of winning with the value is determined by the following equation:

$$\text{probability of winning} = \frac{1}{1 + \sum_{j \in J} e^{k_j + m_j}}$$

Q5 wherein, for J competitors, k_j is a sum of price-independent terms for competitor j and m_j is a sum of price-dependent terms for the competitor j.

37. (New) The method of claim 21, wherein the a bid-winning probability calculation step uses the following equation:

$$\text{probability of winning} = \frac{1}{1 + \sum_{j \in J} e^{k_j + m_j}}$$

wherein, for J competitors, k_j is a sum of price-independent terms for competitor j and m_j is a sum of price-dependent terms for the competitor j.